

'TAX FAIRNESS' MUST INCLUDE INCREASED EARNED INCOME TAX CREDIT



Jim Jacob – Anti Poverty Network of NJ; Bruce Davis – NAACP NJ; Dena Mottola Jaborska – NJ Citizen Action; Senator Turner; Senator Sweeney; Brian McGuire- AARP NJ; Gordon MacInnes – NJ Policy Perspective

Demanding “tax fairness” for the hundreds of thousands of New Jerseyans who work full-time but do not earn a living wage, Senate President Steve Sweeney and Senator Shirley Turner pledged on Monday May 10th to pass legislation raising the state Earned Income Tax Credit to 40 percent of the federal level.

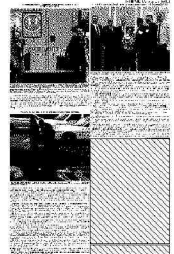
“It’s no secret that the working poor and middle income families have been losing ground economically over the last 15 years,” said Senator Sweeney. “That’s why any discussion of ‘tax fairness’ has to begin with a commitment to raise the Earned Income Tax Credit for the hundreds of thousands of people who struggle to put food on the table, pay their utility bills, support their children and maintain a home for their families even with full-time jobs.”

The Senate President lauded Senator Turner (D-Mercer) for her legislation to raise New Jersey’s EITC to 40 percent of the federal level and pledged to get it enacted for the 2016 tax year as a fiscal priority.

“My bill would put \$225 a year more into the pockets of over 525,000 hard-working New Jersey families and individuals who struggle to make ends meet,” said Senator Turner. “Increasing the EITC helps families and it also boosts the economy. Working families put their income right back into the local economy, buying washing machines, fixing their cars, paying back utility bills and paying other family expenses.”

The Democratic senators noted studies showing that raising the EITC from the current 30 percent to 40 percent would cost \$120 million, but would generate \$180 million in increased economic activity.

“Raising the EITC is part of our agenda to grow New Jersey by creating a high-wage economy because increased consumer spending drives job creation and business growth,” said Senator Sweeney. “That’s why I sponsored a constitutional amendment three years ago to raise the minimum wage above the federal level, and why I am



championing legislation that would establish a \$15 minimum wage by 2022. But we need to do more, and we need to do it now.”

Increasing the EITC to 40 percent of the federal level would raise the average benefit from \$675 to \$900. Eligibility for the EITC and the size of the tax credit is based on income and family size, according to a federal formula. In New Jersey, income eligibility ranges from \$14,590 for a working individual with no children to a maximum of \$53,247 for a family with three children.